

Message Text

LIMITED OFFICIAL USE

PAGE 01 MADRID 04385 01 OF 02 241722Z

ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-08 AF-10 ARA-10 EA-10

NEA-10 OIC-02 ABF-01 OMB-01 TRSE-00 L-03 /068 W

-----041220 241829Z /43

P 241645Z APR 78

FM AMEMBASSY MADRID

TO SECSTATE WASHDC PRIORITY 4333

LIMITED OFFICIAL USE SECTION 01 OF 02 MADRID 04385

FOR USTS DEPARTMENT OF COMMERCE

E.O. 11652: N/A

TAGS: AORG, WTO, SP

SUBJECT: REPORT OF MEETING OF COMMITTEE ON BUDGET AND
FINANCE OF WTO

1. SUMMARY: THE BUDGET AND FISCAL COMMITTEE OF THE WORLD
TOURISM ORGANIZATION (WTO) MET AT MADRID APRIL 19-21, 1978
TO REVIEW THE ADMINISTRATIVE ACCOUNTS FOR 1977, EXAMINE
THE AUDITORS REPORT FOR 1977, AND MAKE RECOMMENDATIONS ON
THE LIQUIDATION OF THE ACCOUNTS OF IUOTO, THE PREDECESSOR
NGO ORGANIZATION. THE ACCOUNTS WERE IN ORDER. THE
FINANCIAL SITUATION IS SOUND IN SPITE OF CONSIDERABLE
DELINQUENCIES IN PAYMENT OF ASSESSMENTS. THE BUDGET FOR
1978 IS GOING TO BE A TIGHT FIT BUT CAN BE MANAGED THROUGH
TRANSFERS AMONG THE DEFICIT AND SURPLUS PARTS. 1979 MAY
RESULT IN A DEFICIT DUE TO THE FALL OF THE DOLLAR AND THE
RISE IN POST ADJUSTMENTS IN MADRID. THE COMMITTEE RECOM-
MENDED THAT AN AD HOC WORKING GROUP BE CALLED TO REVISE
THE FINANCIAL RULES AND REGULATIONS. END SUMMARY.

2. THE BUDGET AND FISCAL COMMITTEE (CBF) OF THE WORLD
TOURISM ORGANIZATION (WTO) HELD ITS SECOND MEETING AT
MADRID APRIL 19-21, 1978 UNDER THE CAPABLE CHAIRMANSHIP
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MADRID 04385 01 OF 02 241722Z

OF FRANCE. REPRESENTATIVES WERE PRESENT FROM HAITI,
JORDAN, NIGERIA, SENEGAL, SWITZERLAND AND USSR.
PARTICIPATING AS OBSERVERS WERE INDIA, USA, AND A
REPRESENTATIVE OF THE AFFILIATE MEMBERS (TRAVEL AGENCIES).
OVER 90 PERCENT OF THE DISCUSSIONS WERE DONE BY THE USA,
JORDAN AND THE FRENCH CHAIRMAN. THE REMAINING DELEGATES
RARELY MADE A REMARK OR ASKED A QUESTION.

3. THE AGENDA INCLUDED REVIEW OF THE AUDITORS' REPORT FOR FINANCIAL YEAR 1977, REVIEW OF THE ADMINISTRATIVE ACCOUNTS FOR 1977, CLOSING OUT OF THE ACCOUNTS OF THE PREDECESSOR ORGANIZATION, THE INTERNATIONAL UNION OF TOURISM OFFICES (IUOTO). ADDITIONAL DISCUSSIONS COVERED EMPLOYMENT OF LEGAL COUNSEL, PROMOTION FROM WITHIN THE ORGANIZATION WITHOUT DISCRIMINATION ON THE BASIS OF SEX, AND THE NEED FOR REVISION OF THE FINANCIAL RULES AND REGULATIONS.

4. THE ACCOUNTS FOR 1977 WERE FOUND TO BE IN ORDER. THERE HAD BEEN A CASH FLOW PROBLEM DUE TO LATE PAYMENT AND NON PAYMENT OF CONTRIBUTIONS, BUT EH \$16,000 "DEFICIT" AS OF DECEMBER 31, 1977 HAD BEEN AMPLY COVERED BY THE LATE PAYMENT OF \$272,000 BY MEMBERS BETWEEN JAN 1 AND APRIL 17, 1978.

5. SOME \$400,000 SURPLUS FROM 1976, PLUS ANY ADDITIONAL LATE PAYMENTS, AND THE SURPLUS FROM 1977 WILL BE CREDITED TO MEMBERS IN 1979 AS SOON AS POSSIBLE AFTER THE MEETING OF THE BUDGET AND FISCAL COMMITTEE AND THE SPRING MEETING OF THE COUNCIL. THE 1977 ACCOUNTS WILL BE CLOSED AS OF 1 JANUARY 1979 BUT CREDITS CAN NOT BE DISTRIBUTED UNTIL AFTER THE CBF AND THE COUNCIL APPROVES THE FINAL AUDIT, PROBABLY MAY 1979.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MADRID 04385 01 OF 02 241722Z

6. THE ACCOUNTS OF IUOTO WERE "CLOSED", WRITING OFF AS LOSSES ANY UNCOLLECTED RECEIVABLES, AND TRANSFERRING SOME 181,000 SWISS FRANCS NET LIQUID ASSETS TO THE WTO WORKING CAPITAL FUND, AS DECIDED BY THE FIRST WTO ASSEMBLY. ANY FUTURE PAYMENT MADE TOWARD IUOTO ACCOUNTS WILL BE CREDITED TO THE WTO WORKING CAPITAL FUND.

7. THE 1978 BUDGET IS GOINT TO FALL SHORT IN POST ADJUSTMENTS (MADRID IS NOW CLASS II ON THE UN POST ADJUSTMENT SCALE) AND IN PRINTING COSTS. THE CBF RECOMMENDED THAT THE COUNCIL (THAT MEETS THIS WEEK) GIVE THE SECRETARY GENERAL THE AUTHORITY TO TRANSFER FUNDS AMONG VARIOUS PARTS OF THE BUDGET TO COVER THE KNOWN SHORTFALL IN POST ADJUSTMENTS. THERE ARE SOME \$59,000 AVAILABLE FROM SALES OF PUBLICATIONS THAT THE CBF WANTED TO USE TO COVER THE PRINTING DEFICIT, BUT THE FINANCIAL REGULATIONS DO NOT SEEM TO PERMIT THE USE OF RECEIPTS. THE CBF INSTRUCTED THE SECRETARY GENERAL TO OBTAIN ADVICE OF LEGAL COUNSEL AND PRESENT THE PROBLEM TO THE COUNCIL NEXT WEEK.

8. THERE ARE 14 MEMBERS OF THE ORGANIZATION WHO ARE TWO

YEARS DELINQUENT IN PAYMENT OF THEIR ASSESSMENTS. UNDER THE RULES OF WTO THEY SHOULD LOSE THEIR RIGHT TO VOTE AND LOSE SERVICES FROM THE ORGANIZATION, BUT THE CATCH IS THAT THIS RULE CAN ONLY BE APPLIED BY THE ASSEMBLY THAT WILL NOT MEET UNTIL FALL OF 1979. THE SENEGALESE DELEGATE GAVE THE USUAL BLEEDING HEART APPEAL NOT TO BE HARSH ON THE POOR MEMBERS WHO SOMETIMES HAVE FINANCIAL PROBLEMS. THE COMMITTEE CAME UP WITH A GOOD COMPROMISE: HAVE THE COUNCIL ASK THE REGIONAL COMMISSIONS TO PUT PRESSURE ON THE DEADBEATS DURING 1978 AND 1979, BUT RECOMMEND TO THE ASSEMBLY STRICT APPLICATION OF THE RULE AGAINST ANY MEMBER TWO YEARS IN ARREARS WHEN THE ASSEMBLY OPENS IN 1979.

9. THE JORDANIAN DELEGATE, A CAPABLE FEMALE OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MADRID 04385 01 OF 02 241722Z

AMBASSADORIAL RANK, GOT AFTER THE SECRETARY GENERAL FOR LACK OF PROMOTION FROM WITHIN OF CAPABLE FEMALE MEMBERS OF THE GENERAL SERVICES STAFF. THE US DELEGATE SUGGESTED

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MADRID 04385 02 OF 02 241827Z

ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-08 AF-10 ARA-10 EA-10

NEA-10 OIC-02 ABF-01 OMB-01 TRSE-00 L-03 /068 W

-----041631 241829Z /43

P 241645Z APR 78

FM AMEMBASSY MADRID

TO SECSTATE WASHDC PRIORITY 4334

LIMITED OFFICIAL USE SECTION 02 OF 02 MADRID 04385

FOR USTS DEPARTMENT OF COMMERCE

THE SUBJECT WAS MORE APPROPRIATE FOR THE COUNCIL, WHERE HE PROMISED HIS SUPPORT, BUT HELPED DRAFT A RECOMMENDATION ALONG THOSE LINES TO BE INCLUDED IN THE CBF REPORT.

10. THE FINAL RECOMMENDATION OF THE CBF CALLED FOR AN AD

HOC WORKING GROUP TO REVIEW AND AMEND THE FINANCIAL REGULATIONS AND IF NECESSARY THE FINANCIAL RULES. AMENDMENT OF THE RULES WOULD REQUIRE RATIFICATION BY STATES BECAUSE THEY ARE PART OF THE CHARTER OF WTO. THE FINANCIAL RULES AND REGULATIONS WERE DRAFTED BY LAWYERS AND CONTAIN BOTH CONTRADICTIONS AND OMISSIONS (NO PROVISION FOR THE USE OF RECEIPTS FROM SALES OF PUBLICATIONS AND TIMING APPARENTLY BASED ON AN 18 MONTH YEAR).

11. COMMENTS: (A) IT WAS NICE FOR A CHANGE TO FIND THE ACCOUNTS IN ORDER. THE FIRST TIME THE CBF MET IN 1977 THE ACCOUNTS WERE NOT READY AND HAD NOT BEEN AUDITED. (B) WTO IS STILL STRUGGLING TO GET INTO GEAR, BUT WITH ITS PRESENT SECRETARY GENERAL THE PROSPECTS ARE NOT BRIGHT. (C) WITHOUT THE PARTICIPATION OF THE US OBSERVER THE CBF WOULD HAVE BEEN A MEETING OF MUTS. THE LDC DELEGATES DIDN'T HAVE A CLUE ABOUT THE BUDGET OR THE FINANCIAL REGULATIONS AND THE SWISS AND SOVIET DELEGATES LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MADRID 04385 02 OF 02 241827Z

WERE SUBSTITUTES WHO SPOKE ONLY ONCE EACH. (D) SECRETARY GENERAL LONATI REMAINS AS INCOMPETENT AS EVER, BUT AT LEAST IT SEEMS HE HAS NOT PLAYED HANKY PANKY WITH THE FUNDS.

12. DIAMANTI SENDS.

DECONTROL UPON RECEIPT. STABLER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 24 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MADRID04385
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780174-1139
Format: TEL
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780424/aaaaauhn.tel
Line Count: 202
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e5cdc9a8-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2871528
Secure: OPEN
Status: NATIVE
Subject: REPORT OF MEETING OF COMMITTEE ON BUDGET AND FINANCE OF WTO
TAGS: AORG, SP, WTO
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e5cdc9a8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014